



DEPARTMENT OF THE ARMY
HEADQUARTERS, U. S. ARMY MEDICAL DEPARTMENT CENTER AND SCHOOL
AND FORT SAM HOUSTON
FORT SAM HOUSTON, TEXAS 78234-5014

REPLY TO
ATTENTION OF

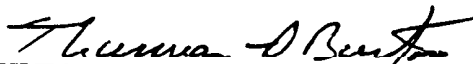
MCGA-DOC

15 May 97

MEMORANDUM FOR All IMPAC cardholders & Approving Officials

SUBJECT: Change 1 to the I.M.P.A.C. (VISA) Credit Card Standard Operating Procedures (SOP)

1. The enclosed pages constitute Change 1 to the IMPAC (VISA) Credit Card SOP. Significant changes are marked with a vertical line in the margin, but please keep in mind that some wording contained in the original SOP dated 15 Dec 96 has been eliminated. Please take your current SOP (15 Dec 96), and file the enclosed pages in accordance with the instructions in paragraph 2 below.
2. File SOP Change 1 as follows:
 - a. Table of Contents - remove the Table of Contents and replace with the enclosed Table of Contents
 - b. Remove and replace the following pages with the like-numbered pages enclosed:
 - pages 3 & 4
 - pages 5 & 6
 - pages 7 & 8
 - pages 9 & 10.
 - c. Add page 10A.
 - d. Remove and replace pages 11 & 12 with the like-numbered pages enclosed.
 - e. Remove and replace Exhibits 1 and 3 with the like-numbered exhibits.
 - f. Add Exhibit 9.
3. Point of contact for this information is Ms. Carole Hammer, (210) 221-4122.


THURMAN D. BURTON
Acting Director of Contracting

CONTENTS

Introduction.....	1
Definitions.....	1
Rocky Mountain BankCard System, Inc. (RMBCS).....	1
I.M.P.A.C.....	1
Cardholder.....	1
Approving Official.....	2
Director, Directorate of Contracting (DOC).....	2
Statement of Account.....	2
Construction.....	2
Agency/Organization Program Coordinator (AOPC).....	2
Finance Office Contact.....	3
Dispute Office Contact.....	3
I.M.P.A.C. Training.....	4
Setting Up the I.M.P.A.C. Account.....	4
Approving Official Changes.....	5
Delegation of Authority and Appointment of Approving Officials.....	5
Ethics Training.....	5
Confidential Financial Disclosure Report.....	6
Dollar Limits Associated with the Card.....	6
Single Purchase Limit.....	6
Monthly Cardholder Limit.....	6
Monthly Office Limit.....	6
Mandatory Source Requirements.....	7
Unauthorized Use of the Card.....	8
Regulated Purchases.....	8
Authorized Use of the Card.....	9
Acquisition Procedures to be Used When Purchasing with the I.M.P.A.C.....	11
General.....	11
Oral Purchase Procedures.....	12
Responsibilities and Documentation, Reconciliation, and Payment Procedures.....	13
Cardholder Responsibilities.....	13
Approving Official Responsibilities.....	14
Defense Accounting Office Responsibilities.....	15
FSH Form 1135 Instructions.....	16
Billing Errors and Disputes.....	17
Contact with RMBCS.....	18
Lost or Stolen Cards.....	18
Card Security.....	19
Separation of Cardholder.....	19
Transfer of Cardholder to Another Approving Official.....	19
Unauthorized or Careless Use of the I.M.P.A.C.....	19
Exhibit 1 - Memorandum for Requesting an International Merchant Purchase Authorization Card	
Exhibit 2 - Merchant Category Code Table	
Exhibit 3 - Request for Appointment of IMPAC Approving Official	
Exhibit 4 - Delegation of Authority Letter	
Exhibit 5 - Approving Official Appointment Letter	
Exhibit 6 - Tax Exempt Letter	
Exhibit 7 - FSH Form 1135	
Exhibit 8 - Cardholder Statement of Questioned Item	
Exhibit 9 - Split Procurement Guidance from the Federal Acquisition Regulation (FAR) and the Army Federal Acquisition Regulation Supplement (AFARS)	
Appendix - Federal Standard, Material Safety Data, Transportation Data and Disposal Data for Hazardous Materials Furnished to Government Activities, March 1, 1988, pages 1- 6 with Appendix A	

Changes to dollar limitations or authorized merchant codes must be approved by the AOPC.

The AOPC is:

Ms. Carole T. Hammer, Purchasing/Support Division, (MCGA-DOC-S), Directorate of Contracting, 2107 17th Street, Building 4197, Fort Sam Houston, TX 78234-5015, (210) 221-4122/5137.

The alternate AOPC is:

Ms. Carol A. Estes. She can be reached at the same address and phone numbers as above.

D. FINANCE OFFICE CONTACT

The Defense Finance Accounting Service San Antonio Operating Location is the primary finance office and will make payment from the Cardholder's signed monthly Statement of Account. The finance office point of contact is:

Ms. Linda J. Shatz, DFAS-SA/FPAM, 500 McCullough Avenue, San Antonio, TX 78125-2100, phone number: (210)527-8584.

We also have 2 other finance offices involved with payments for Fort Sam Houston Cardholders. Payment procedures may differ for these finance offices. The points of contact and addresses of those finance offices follow:

Ms. Janice Rodriguez, Defense Finance Accounting Office Fort Hood, Building 1001, Room 232E, Fort Hood, TX 76544-5056, phone number: (817)287-0502.

Ms. Sheila Tyree, Defense Accounting Support Activity, Department 3830, 8899 East 56th Street, Indianapolis, IN 46249-3830, phone number: (317) 543-6459.

E. DISPUTE OFFICE CONTACT

This individual will coordinate, process, and monitor all disputed purchases, credits, or billing errors, after efforts by the Approving Official have not been successful.

The Dispute Office Contact is:

Ms. Carole T. Hammer, Purchasing/Support Division, (MCGA-DOC-S), Directorate of Contracting, 2107 17th Street, Building 4197, Fort Sam Houston, TX 78234-5015, (210) 221-4122/5137.

The alternate Dispute Office contact is:

Ms. Carol A. Estes. She can be reached at the same address and phone number as above.

F. I.M.P.A.C. TRAINING

1. Individuals who have not taken formal training courses on small purchases or basic contracting must attend the Field Purchasing Course conducted by the DOC. This course is mandatory for both Cardholders and Approving Officials. The DOC course will be provided by Contracting Officers, senior contracting personnel, or personnel designated by the DOC. Individuals who have previously had the training may be required to attend refresher training from time to time.

2. A memorandum (CC-Mail, E-Mail, and faxed requests are acceptable) is sent from an Approving Official requesting that an individual be scheduled to attend credit card training. This memorandum should list the name of the individual, why they need the IMPAC training, and give a point of contact and phone number for scheduling. Classes are usually held on the 3rd Thursday of each month; and, approximately 2 weeks prior to each class, individuals who are scheduled will be contacted with the date, time, and location.

G. SETTING UP THE I.M.P.A.C. ACCOUNT

1. After the training has been received, a memorandum is submitted requesting that a card be issued. This memorandum must be signed at the Commander/Director level and coordinated with the budget officer/analyst. See Exhibit 1 for a sample memo - this memo is to be used by all garrison offices; the same information must be submitted by non-garrison/tenant offices, but letterhead stationery should be used. Exhibit 2 is a table of the currently existing Merchant Activity Codes; this information is necessary for the memorandum requesting that an I.M.P.A.C. card be issued. If the Approving Official named in the memorandum has an existing account, the AOPC will enter the information into RMBCS's Remote Access system and issue a delegation of authority letter (see paragraph I. below).

2. If there is no existing master account, the Approving Official's account will be set up first and an Approving Official Appointment Letter will be issued (see Exhibit 3 for a sample request for appointment of an IMPAC Approving Official). These appointment letters are issued to new Approving Officials only (see paragraph I. below).

3. A 50 position accounting code will be entered into each cardholder's account. The information for this code must be obtained from the unit/activity's budget officer/analyst and included in the memorandum requesting appointment of an IMPAC Cardholder. This code will be used to make disbursements. Obligations can be input using the Databased Commitment Accounting System (DCAS).

4. The card will be mailed to the Cardholder within 5 working days of the time the information is entered into the system. When the Cardholder receives the card, (s)he must call RMBCS at 1-800-227-6736 to activate the card. After the card is activated, the cardholder may make purchases in accordance with all applicable rules, regulations, and procedures.

H. APPROVING OFFICIAL CHANGES

When a new individual will be assuming an existing master account, the unit/activity must submit a request for training and appointment to the DOC. The request should clearly state that the individual will be assuming a currently existing master account and indicate the name of the Approving Official who is leaving (or has left). Once that memorandum is on file in DOC, the individual may act as an Approving Official. After training has been completed and the Approving Official appointed, the change will be officially made on the account with Rocky Mountain.

I. DELEGATION OF AUTHORITY AND APPOINTMENT OF APPROVING OFFICIALS

The DOC will delegate authority to make single purchase transactions up to \$2,500 to individuals who have a need for the authority (see Exhibit 4 for a sample Delegation of Authority letter). Only those individuals who have been delegated Level 2 authority may use the card for transactions above \$2,500, and the I.M.P.A.C. card then becomes a method of payment only. For additional information about Level 2 authority, contact the AOPC.

The DOC will issue Appointment Letters to new IMPAC Approving Officials (see Exhibit 5 for an example of an Approving Official Appointment letter).

J. ETHICS TRAINING

1. All I.M.P.A.C. Approving Officials and Cardholders receive contracting ethics training in the training course conducted by the Directorate of Contracting.

2. In addition, all Cardholders and Approving Officials are required to attend the Annual Ethics Training conducted by their local Office of the Staff Judge Advocate.

K. CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

Some I.M.P.A.C. Cardholders are required to annually file a Confidential Financial Disclosure Report (SF 450). I.M.P.A.C. Cardholders must file the SF 450 if they:

1. work in the Directorate of Contracting; or
2. spend \$2,500 or more on any one I.M.P.A.C. purchase; or
3. spend \$20,000 or more, cumulatively, with the I.M.P.A.C. card during the fiscal year.

See the Joint Ethics Regulation (DoD 5500.7-R), para. 7-300. The proponent organization for the SF 450 is the Office of the Staff Judge Advocate.

L. DOLLAR LIMITS ASSOCIATED WITH THE CARD

Use of the credit card is subject to a single purchase limit, a monthly cardholder limit, and a monthly office limit. The purpose of these dollar limits is as follows:

1. Single Purchase Limit

The single purchase limit is the amount allowed during the processing of a single purchase transaction, whether it is 1 item or 10 items. This single purchase limit will not exceed \$2,500. Single purchase transactions for construction, as defined in paragraph B.7. of this SOP, are limited to \$2,000. The single purchase limit must be coordinated with the budget officer/analyst.

2. Monthly Cardholder Limit

The Cardholder's monthly limit is a line of credit assigned by the Approving Official and coordinated with the budget officer/analyst. This line of credit runs from the 1st of the month through the end of the month, not in conjunction with the billing cycle. The total dollar value of purchases when using the card during any single billing cycle will not exceed the monthly limit set by the Approving Official. A change to the monthly

limit is processed by a written request to the AOPC from the Approving Official and the budget officer/analyst.

3. Office Limit

The office limit is a budgetary limit established by individual activities and coordinated with the budget officer/analyst. This budgetary limit runs from the 1st of the month through the end of the month, not in conjunction with the billing cycle. The office limit should not exceed the sum of the Approving Officials' Cardholders' monthly purchase limits and should reflect spending history as well as budgetary trends. The total dollar value of purchases using the card shall not exceed the monthly office limit. A change to the office limit is processed by a written request to the AOPC from the Approving Official and the budget officer/analyst.

M. MANDATORY SOURCE REQUIREMENTS

Some items are required by law to be purchased from mandatory sources if they meet the requirements of the ordering office in terms of delivery, type item required, etc.

Mandatory source items are supplied by The National Industries for the Blind (NIB), NISH, and UNICOR. NIB and NISH are non-profit organizations that together provide products to the federal government through a procurement program established by the Javits-Wagner-O'Day Act. UNICOR is the trade name for the Federal Prison Industries, Inc. (FPI), a wholly owned government corporation established as part of the Federal Prison System. NIB and NISH (sometimes referred to as NIBNISH) provide office supplies such as ballpoint pens, clocks, paper pads, picture frames, paper clips, and calendars. UNICOR provides a variety of products and services (e.g., office furniture and signs).

Some mandatory source items are available through the General Services Administration's (GSA) catalogs, and those items may be ordered in the same way as any other item in those catalogs. (Items may be charged on the I.M.P.A.C. if the Cardholder sets up an account with GSA.) The GSA Customer Supply Center can be reached by calling 1-800-525-8027. NIBNISH items available from other sources are identified on the Procurement List. This list can be obtained from the Committee for Purchase from People Who Are Blind or Severely Disabled, at (703) 603-7740. The Schedule of Products, a general listing of FPI's products and services, is available from GSA's Centralized Mailing List Service in Fort Worth, TX, at (817) 334-5215. In addition, some items are stocked by the Federal Supply Service and are available through the FEDSTRIP system.

N. UNAUTHORIZED USE OF THE CARD

The card will **not** be used for the following:

1. cash advances - not permitted under any circumstances.
2. rental or lease of land or buildings,
3. telecommunications (telephone) services, i.e., major systems such as FTS 2000 or DSN; (however, after receiving approval from DOIM, telephone equipment may be purchased),
4. purchases of printing services (unless a written waiver has been obtained from the Defense Printing Service, Fort Sam Houston, TX, or the supporting Defense Printing Service for the Cardholder's post),
5. single purchase transactions for construction over \$2,000,
6. purchases of controlled medical items as defined in Section IX, AR 40-61, Medical Logistics Policies and Procedures,
7. purchases of the services of temporary employees,
8. purchases of fuel, oil, services, and maintenance and repair of GSA Fleet Management Program vehicles, and
9. purchases for Temporary Duty (travel and per diem) expenses.

O. REGULATED PURCHASES

1. Purchases from the following types of vendors are not permitted: airlines, restaurants, bars, and travel agencies.
2. Purchases of Common Table of Allowance (CTA) type clothing are not permitted unless identified as local purchase items and verified through the supporting property book office.
3. When using the credit card for the purchase of items identified as hazardous material (HAZMAT), the Army will:
 - a. ensure the best management practices take place for the procurement, use, handling, storage, and ultimate disposition of all hazardous materials;

b. comply with federal, state, and local laws and regulations governing the use of hazardous material; and

c. ensure that a copy of the Material Safety Data Sheet (MSDS) is received with the item purchased and is delivered with the item to the end user; reference Federal Standard-313c, pages 1-6 with Appendix A, an Appendix to this SOP.

d. Commanders will:

(1) personally review, or appoint an individual to review, and approve the request for local purchase of items identified as hazardous materials; reference Army Regulation 710-2-4-20(4);

(2) ensure that local purchase requests for hazardous materials include use of the appropriate HAZMAT code; reference Army Regulation 710-2-4-20(4); and

(3) ensure that procedures in Army Regulation 700-141 are followed when procuring hazardous material by local/credit card purchase.

P. AUTHORIZED USE OF THE CARD

1. Without exception, the I.M.P.A.C. may only be used to pay for authorized U.S. Government purchases, and items/services purchased must be considered a proper expenditure of appropriated funds. If non-expendable (or otherwise accountable) property is purchased, it must be listed and accounted for on the property books. In addition, an appropriate fund cite must be used to pay for the purchase.

2. The unique card that the Cardholder receives has his/her name embossed on it and may be used by that Cardholder only. No other person is authorized to use the card or card number. The card was specially designed showing the Great Seal of the U.S. and the words "United States of America" imprinted on it to avoid being mistaken for a personal credit card.

3. When issuing this card to an employee, authorization codes will be established by the AOPC and the Approving Official and will be incorporated in the card. Many merchants utilize electronic authorization methods which allow them to obtain authorization for all purchases regardless of the amount. When an authorization is sought by the merchant for a purchase, RMBCS's authorization system will check the individual Cardholder's single purchase limit, his/her monthly limit, the Approving Official's monthly office limit, and the type of merchant where the Cardholder is making a purchase before authorization for that transaction is granted.

4. Use of the card must meet the following conditions:

a. **INCENTIVES AND DISCOUNTS RESULTING FROM I.M.P.A.C. CARD PURCHASES BELONG TO THE GOVERNMENT AND MAY ONLY BE USED FOR SUBSEQUENT OFFICIAL PURPOSES.**

b. The total of a single purchase to be paid with the card may be comprised of multiple items but cannot exceed the authorized limit. Purchases will be denied if the authorized single purchase limit is exceeded. **Purchases must not be split in order to stay within the single purchase limit!** See Exhibit 9 for guidance on split purchases. This guidance is contained in the Federal Acquisition Regulation and the Army Federal Acquisition Regulation Supplement.

c. All items purchased over the counter or by phone, to be paid with the card, must be delivered within 30 days from the time the order is placed. All items in a single transaction must be delivered in a single delivery, with the exception of purchases from the General Services Administration (GSA). **No back ordering is permitted.**

d. Accountable property items may be purchased provided internal procedures are in place for appropriate controls of accountable property.

e. When purchasing items by phone or over the counter, the Cardholder shall inform the merchant that they are for official government use, and, therefore, they are not subject to state or local sales tax. For additional clarification, the card is imprinted with the words "U.S. Govt Tax Exempt." As an agency of the Federal Government, the Army does not request Tax Identification Numbers from each State, but some vendors will require a tax exempt letter for their files. (See Exhibit 6 for a tax exemption letter.)

f. Prior to purchasing supplies and services on the open market, the Cardholder must check mandatory sources. For additional information on mandatory source requirements, see paragraph M.

g. Prior to purchasing Automated Data Processing Equipment (ADPE), software, and telephone/telecommunications equipment, the Cardholder must first obtain the approval of their supporting Information Management Office.

h. Prior to renting vehicles (a bus or van), a cardholder must obtain the approval of the Transportation Office on their supporting post.

i. Prior to purchasing services, the Cardholder must call the appropriate organization (e.g., Directorate of Information Management (DOIM), Directorate of Public Works (DPW), or Directorate of Logistics (DOL), Maintenance Division) to determine if

the service is on a current annual maintenance contract or if it is obtainable from that activity. If the appropriate directorate/activity does not perform the service and authorizes the cardholder to obtain the service, the purchase file should be documented and appropriate procedures followed to purchase the service with an I.M.P.A.C. card.

j. Before using the I.M.P.A.C. card to purchase construction services, ensure that all required approvals are obtained and that the purchase is coordinated with the servicing Directorate of Public Works.

k. Purchasing supplies or services with the IMPAC card is really only a different way of ordering and paying for them. **THE SAME PROHIBITIONS ON PURCHASES APPLY WHETHER YOU ORDER SUPPLIES FROM A GOVERNMENT SOURCE OF SUPPLY OR PURCHASE THEM FROM A COMMERCIAL SOURCE WITH THE I.M.P.A.C. CARD.** For example, just as a unit cannot order plaques as going away gifts for departing soldiers, the same plaques cannot be purchased with the I.M.P.A.C. card.

1. Ongoing services recurring within each fiscal year may be purchased with the credit card provided the following conditions are met:

- (1) the total does not exceed \$2,500 per month,
- (2) the service is purchased for only a month at a time,
- (3) it is paid at least on a monthly basis (if services are performed that month),
- (4) periods of service do not cross fiscal years, and
- (5) appropriate fiscal year funds are used.

m. If the recommended source for an item/service is a Non-Appropriated Fund Instrumentality (NAFI), the potential NAFI supplier must be authorized by its charter to deliver such goods and services.

n. IF YOU HAVE ANY QUESTIONS CONCERNING THE PROPRIETY OF A PROSPECTIVE PURCHASE, CONTACT THE AOPC.

Q. ACQUISITION PROCEDURES TO BE USED WHEN PURCHASING WITH THE I.M.P.A.C.

1. General (Applicable to oral, over the counter and telephone purchases)

When making purchases that will be paid with the I.M.P.A.C., all the applicable acquisition regulations apply.

- a. Ensure that funds are available to pay for the items being purchased.
- b. Oral solicitations should be used whenever possible.
- c. Solicit competition for purchases as follows:

(1) Purchases of \$2,500 or less may be accomplished without securing competition if the prices are considered to be fair and reasonable. **However, non-competitive purchases are to be distributed equitably among qualified suppliers, and, if practicable, a price quotation from other than the previous supplier should be solicited before placing a repeat order with the previous supplier.**

(2) Competition should be sought when there is doubt that a fair and reasonable price is being paid. **If in doubt, secure competition to obtain a fair and reasonable price.**

(3) If suppliers furnish standing price quotations or catalog prices on a recurring basis, obtaining competition on individual purchases is not necessary, but the prices should be confirmed as current.

d. Take action to verify price reasonableness when:

(1) there is cause for suspicion or there is information to indicate the price may not be reasonable; or

(2) you are purchasing an item for which no comparable pricing information is available. The file (telephone record or other document) should contain an explanation of how price reasonableness was determined in these instances.

e. Ensure that the quantity and quality of the items furnished are in accordance with the agreement (verbal or written) with the vendor.

f. Notify the vendor that the purchase is tax exempt;

g. Confirm that the vendor agrees to charge the credit card at the time of shipment (if purchase is a supply item) or after the service is accomplished;

h. Ensure freight cost is included in the total price (Freight-on-board (FOB) Destination) and that freight cost does not affect price reasonableness; and

i. A log should be used to document or record credit card orders.

j. If competitive quotes are solicited for purchases under \$2,500, the record shall be documented.

2. Oral Purchase Procedures

a. "Oral procedure," as used in these instructions, means a procedure where an order is placed either in person or by telephone (i.e., an oral agreement is made). No written purchase order or contract is issued by the government. The supplies are provided by the vendor and payment is made using the I.M.P.A.C. Oral procedures may be used to acquire supplies that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired.

b. When using oral purchase procedures over the telephone to place an order,

Memorandum for Requesting an International
Merchant Purchase Authorization Card

(Your Office Symbol)

(Date)

MEMORANDUM FOR: Director of Contracting, ATTN: MCGA-DOC (IMPAC
Program), Fort Sam Houston, TX 78234-5015

SUBJECT: Request for Appointment of IMPAC Cardholder

1. Request an International Merchant Purchase Authorization Card (IMPAC) be issued to the following individual for use in accordance with all applicable regulations:

(Give **complete** information including individual's full name, rank/Mr/Ms &/or grade, command organization, name of office or directorate, office symbol, street address, city/state, zip code plus 4, & commercial phone number.)

2. Individual was trained by the DOC FSH Program Manager on _____. A copy of the
certificate of training is attached. (Date)

3. Approving Official Master Account Number: 4716-2199-_____.
(For currently existing master accounts)

Approving Official's Name: _____

4. If the individual whose name appears in paragraph 3 is a new Approving Official for an existing account or if this will be a new master account, an additional memorandum must be forwarded to the DOC to request appointment of the new approving official.

5. Limitations (Fill in blanks in paragraphs 5.a. and 5.b.):

a. Single Purchase Limit: _____
(Not to exceed \$2,500)

b. 30 Day Limit: _____
(May not exceed that of the AO. CAUTION: the AO's office limit should equal the total of his/her cardholders' monthly limits or purchases may be may be rejected.)

Subject: Request for Appointment of IMPAC Cardholder

(See Exhibit titled, "Merchant Category Code Table," in SOP; match necessary merchant codes in Merchant Category Code Table with the 3 digit Merchant Activity Code found on the second page of the Exhibit.)

 b. Medical Supplies/Services

8. Point of contact for this memorandum is _____, telephone number _____.

(Title)

2

(Your Office Symbol)

Subject: Request for Appointment of IMPAC Approving Official

3. The proposed Approving Official was trained by the Directorate of Contract IMPAC program Coordinator at Fort Sam Houston on _____. **A copy of the certificate of training is attached.**

4. Point of contact for this memorandum is: _____, phone number _____.

BUDGET OFFICER/ANALYST:

(Signature)

(Typed Name)

(Signature*)

(Typed Name)

(Title)

*Please Note: This signature must be at the Commander/Director level.

PART 13

SIMPLIFIED ACQUISITION PROCEDURES

13.000 Scope of part.

This part prescribes policies and procedures for the acquisition of supplies and services, including construction, research and development, and commercial items, the aggregate amount of which does not exceed the simplified acquisition threshold (see 2.101). See Part 12, Acquisition of Commercial Items, for policies applicable to the acquisition of commercial items exceeding the micro-purchase threshold. See 36.602-5 for simplified procedures to be used when acquiring architect-engineer services.

SUBPART 13.1—GENERAL

13.101 Definitions.

"Bulk funding," as used in this part, means a system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specified period of time rather than obtaining individual obligational authority on each purchase document.

"Governmentwide commercial purchase card," as used in this part, means a purchase card, similar in nature to a commercial credit card, issued to authorized agency personnel to use to acquire and to pay for supplies and services.

"Imprest fund," as used in this part, means a cash fund of a fixed amount established by an advance of funds, without charge to an appropriation, from an agency finance or disbursing officer to a duly appointed cashier, for disbursement as needed from time to time in making payment in cash for relatively small amounts.

"Purchase order," as used in this part, means an offer by the Government to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures.

"Third party draft," as used in this part, means an agency bank draft, similar to a check, which is used to acquire and to pay for supplies and services. (See Treasury Financial Manual Section 3040.70.)

13.102 Purpose.

The purpose of this part is to prescribe simplified acquisition procedures in order to—

- (a) Reduce administrative costs;
- (b) Improve opportunities for small, small disadvantaged, and women-owned small business concerns to obtain a fair proportion of Government contracts;
- (c) Promote efficiency and economy in contracting; and
- (d) Avoid unnecessary burdens for agencies and contractors.

13.103 Policy.

(a) Simplified acquisition procedures shall be used to the maximum extent practicable for all purchases of supplies or services not exceeding the simplified acquisition threshold (including purchases below the micro-purchase threshold), unless requirements can be met by using required sources of supply under Part 8 (e.g., Federal Prison Industries, Committee for Purchase from People Who Are Blind or Severely Disabled, and Federal Supply Schedule contracts), existing indefinite delivery/indefinite quantity contracts, or other established contracts.

(b) The contracting office shall not use simplified acquisition procedures for contract actions exceeding \$50,000 after December 31, 1999, unless the office's cognizant agency has certified full FACNET capability in accordance with 4.505-2.

(c) Simplified acquisition procedures shall not be used in the acquisition of supplies and services initially estimated to exceed the simplified acquisition threshold even though resulting awards do not exceed that threshold. Requirements aggregating more than the simplified acquisition threshold or the micro-purchase threshold shall not be broken down into several purchases that are less than the applicable threshold merely to permit use of simplified acquisition procedures, or to avoid any requirements that apply to purchases exceeding the micro-purchase threshold.

(d) Simplified acquisition procedures may be used to acquire personal services if the agency has specific statutory authority to acquire personal services (see 37.104).

(e) The Governmentwide commercial purchase card is the preferred means to purchase and pay for micro-purchases. This is not intended to limit use of the purchase card to micro-purchases, if otherwise authorized under agency procedures, nor is it intended to preclude use of electronic purchasing techniques.

ARMY FEDERAL ACQUISITION REGULATION SUPPLEMENT

PART 13--SIMPLIFIED ACQUISITION PROCEDURES

with a letter from the contracting office stating that the card is being requested pursuant to 48 CFR 51.102.

13.9002 Agency/command responsibilities.

(a) PARCs at the major commands are responsible for the overall implementation and administration of the purchase card program at their subordinate commands and installations.

(b) Chiefs of Contracting Offices shall--

(i) Develop internal operating procedures and incorporate appropriate controls in the Command or Installation Internal Control Program. Procedures and controls shall be written so as to place minimum burdens on cardholders;

(ii) Designate an agency program coordinator and approving officials;

(iii) Issue delegations of authority to cardholders;

(iv) Approve training course content and instructor qualifications;

(v) Ensure prescribed training of cardholders and approving officials;

(vi) Ensure appropriate functional participation in the development and administration of the program (e.g., Finance and Accounting, Director of Logistics, Director of Public Works, etc.); and

(vii) Establish controls to assure individuals who have not completed the certification required by FAR 3.104-12 do not exceed \$20,000 in total annual purchases.

(c) Agency Program Coordinators (APC) shall serve as the purchase card focal point at each activity. The APC shall be the liaison between the activity, GSA, Rocky Mountain Bank Card System and the various directorates on the installation.

(d) Cardholders shall reconcile the bank's monthly statement of account with purchases actually made within 5 working days of receipt. They shall maintain adequate records of purchases to validate required procedures were followed and appropriate approvals were obtained.

(e) Approving officials shall ensure cardholders adhere to appropriate internal procedures and forward certified cardholders' monthly statements of account to the official billing office within 22 days after the end of the billing period.

13.9003 Purchase card use.

Use of the purchase card must meet the following conditions in addition to conditions imposed by the FSS contract:

(a) A single purchase transaction may include multiple items, but the total amount, to include incidental charges, e.g., transportation costs, shall not exceed the single purchase limit. Each transaction shall involve a single delivery and payment. Purchases shall not be "split" in order to stay within the single purchase limit. Receipt of the item should be within the billing cycle or by the time the monthly report is received to simplify monthly reconciliations.

(b) Cardholders shall advise Merchant/Vendors at the time the transaction(s) is/are made that items purchased with the card are "For Official United States Government Use." Most states will exempt purchases made by the Government from state and local taxes.